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*Governor*

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF MORTGAGE LENDING  
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BRUCE BRESLOW  
*Director*

JAMES WESTRIN  
*Commissioner*

DATE: December 05, 2012  
TO: Escrow Agency Licensees  
FROM: Division of Mortgage Lending  
SUBJECT: 2013 Financial Statement Filing Requirement Reminder

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In preparation for the required 2013 annual CPA-prepared financial statement submissions by licensees, the Division of Mortgage Lending reminds licensees of the following:

**Pursuant to Nevada Administrative Code 645A.310 (Annual financial statement):**

- Except as otherwise provided in this section, an escrow agency shall submit to the Commissioner, not later than 120 days after the last day of each fiscal year of the escrow agency, a financial statement that:
  - Is dated not earlier than the last day of each fiscal year of the escrow agency; and
  - Has been prepared based on the books and records of the escrow agency by an independent public accountant who has a valid permit to engage in the practice of public accounting in this State.
- The Commissioner may grant a reasonable extension of time for the submission of a financial statement required pursuant to this section if an escrow agency requests an extension not later than 120 days after the last day of the fiscal year of the escrow agency.
- If an escrow agency maintains a trust account pursuant to NRS 645A.160, the financial statement submitted pursuant to this section must:
  - If the trust account has an average monthly balance of \$250,000 or less, be “reviewed” by an independent public accountant before it is submitted to the Commissioner. The review must be consistent with the standards set out in sections 400 to 408, inclusive, of the *Statements on Standards for Accounting and Review Services* published by the American Institute of Certified Public Accountants.
  - If the trust account has an average monthly balance that exceeds \$250,000, be “audited” before it is submitted to the Commissioner. The escrow agency shall

ensure that the public accountant who prepares the report of an audit submits a copy of the report to the Commissioner and the escrow agency at the same time.

**CPA Preparers:**

Effective July 1, 2009 the Nevada State Board of Accountancy allows out of state licensed individuals and/or firms whose principal place of business is outside of Nevada, to enter the state to perform work under the Practice Privilege (Mobility) provisions. Pursuant to NRS 628:

- An individual CPA, with a valid license in another state, can enter this state, perform certain services and utilize the CPA designation without having to obtain a license or permit. An out of state firm or sole practitioner that does not have an office in Nevada may utilize the CPA designation and perform the following services without registering with the Nevada State Board of Accountancy as follows:
  - Practice of Public Accounting (No Attest)
  - Compilation Services
  - The out of state firm or sole practitioner can perform the above services without registering if:
    - The Firm (defined as a Corporation, Partnership, Limited Liability Company or Sole Practitioner) is comprised of CPAs in any state that own a simple majority, in terms of financial interests and voting rights, and complies with the provisions of NRS 628.325 subsection 5 for Non-CPA ownership;
    - The individual person that is granted practice privileges in Nevada practices such public accounting or performs such compilation services or other professional services within the practice of public accounting (other than attest services) for the client having his home office in Nevada; and
    - The firm can lawfully perform public accounting, compilation services or other professional services within the practice of public accounting in the state where the principal place of business of the individual person granted practice privileges is located.
  - Practice privilege information – A person who holds a valid license as a CPA from any state is granted practice privileges in Nevada and will be considered a CPA for all purposes under the laws of Nevada pertaining to practice privileges. The CPA with practice privilege is not considered licensed as provided within the Nevada Board's licensing laws. The individual is not required to obtain a license or a permit unless certain services are performed that would require out of state registration. Individual CPA registration is not required if the CPA is employed by a firm or sole proprietorship that requires registration. Only the firm would obtain the out of state registration based on the out of state registration criteria.
- Registration is required for certain engagements – Out of state registration is required **ONLY IF ATTEST** services are performed for a client whose **home office is in Nevada.**

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- In each instance, the CPA must hold an active license which is in good standing and which has not been suspended or revoked.

**Address for Submission:**

Annual financial statements shall be submitted to the State of Nevada, Division of Mortgage Lending {Attention: CPA} by mail or delivery service to 7220 Bermuda Road, Suite A, Las Vegas, Nevada 89119, or via facsimile to (702) 486-0785.